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The Influence of Intervention Projects on Pig Production Marketing Groups in Vietnam

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ABSTRACT

Members from different farmer groups that received establishment support by three intervention projects, and non-members were interviewed. By calculating the average weighted scores the influence of intervention projects on potential factors for the success or failure of farmer groups devoted to pig production and marketing was evaluated.

Findings showed that farmers assigned reasons for group success to external project interventions, while failures were attributed to internal factors. Depending on the projects approach members mentioned training or in-kind payments as a key reason for success. The potential reasons for failure were related to the missing commitment of members and leader board.

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1. Introduction

In recent years, the Vietnamese government encouraged the establishment of farmer groups (cooperatives) and international donor organizations are supporting farmers in gaining better market access. Most of the supporting projects focus on added value chain products, which are also produced for export markets or supermarkets, e.g. fruits (Rankin et al., 2007), beef (Anh et al., 2010) and bee keeping (Hoang and Graham, 2006) with only limited priority so far given to pig production. Examples from the past and other socialist countries have shown that top-down established organizations are not always working effectively (Golovina and Nilsson, 2011).

This paper evaluates the influence of intervention projects in two provinces of North Vietnam on potential factors for success and failure of farmer groups (cooperatives) devoted to pig production and marketing.

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2. Methodology

The study was carried out in the two mountainous provinces of Cao Bang (CB) and Lao Cai (LC) located in the Northeast and Northwest, respectively, of Vietnam.

From September to October 2013, a total of 583 farmers were interviewed, with 236 being members in one of 13 pig production groups and 347 non-members. The intervention projects were selected based on the criteria that they supported farmer groups marketing pigs. Non-members were selected by local authorities, while farmer group members were chosen by both, the respective leaders of the farmer group, or by local authorities.

Three different projects (one in CB, two in LC), which have been initiated by international organizations were analysed. All three intervention projects wanted to assist the rural poor in gaining better market access, but each project had a slightly different focus and approach. The project in Cao Bang (Project 1) was financed by International Fund for Agriculture Development (IFAD) with the technical assistance from Lux-Development S.A (Lux-Dev). Project 2 (in LC) was funded by Oxfam Australia and Great Britain, whereas project 3 in the same province and district was funded by The World Bank Group. The four farmer groups interviewed in Cao Bang (project 1) were established in 2009 and the nine groups in Lao Cai (project 2 and 3) in 2012. All members received training from the intervention projects, but technical training was only the main focus of project 1. In contrast to farmers in Cao Bang (project 1), the members of farmer groups established with the help of project 2 received in-kind subsidies, e.g. pigs or the monetary value of a pig, in addition to training and a revolving fund was established. Project 3 supported the farmers with in-kind subsidies of pigs, feed and financial incentives. The average group size was 25. The minimum number of members was 10 in LC; the maximum number of member was 35. The groups of project 1 and of project 3 consisted of male and female members, whereas groups from project 2 only had female members.

Interviews were conducted with trained enumerators and additionally, local translators were used to address elderly people and women of ethnic minorities, who felt more comfortable speaking their local language. Through structured questionnaires farmers were asked to give reasons for potential successes and failures of the farmer group, and to subsequently rank their answers from one to three. For the analysis, weights were assigned in reverse order, i.e. the respondent's most preferred choice (rank 1) was assigned the largest weight (weight of 3 because the ranking question has three answer choices). In case a choice was not mentioned the weight of 0 was applied. The average weighted scores for these reasons were then separately calculated for non-members and the members depending on the intervention project supporting them.

Members were additionally asked to rate their satisfaction with the management of the group and their membership based on a 4-point Likert scale (very satisfied to very unsatisfied), as well as how they perceive the likelihood of a future existence of the group.

3. Results

Members involved in projects that mainly focused on training precisely mentioned this activity as a key reason for success, while those receiving in-kind payments declared the payments as the main success factor (Table 1). Members' attitudes and commitment were ranked as the second or third most important factor for success, irrespective of its underlying intervention project. Non-members ranked in-kind provision as the most important success factor, while technical know-how of pig production, members' attitude and commitment, and technical and financial support from other sources than the project were of similar, but secondary importance. For the members involved in projects that mainly focused on training, the potential reasons for failure were related to the missing commitment of members and the leader board.

Table 1 Reasons for success and failure by membership (average weighted scores).

Reasons for success and failure*	Average weighted scores for success				Average weighted scores for failure			
	Non-members	Members			Non-members	Members		
		Project 1 Cao Bang	Project 2 Lao Cai	Project 3 Lao Cai		Project 1 Cao bang	Project 2 Lao Cai	Project 3 Lao Cai
Training	0.14	1.13	0.71	0.00	0.04	0.21	0.13	0.00
Technical and financial support from sources other than project	0.22	0.04	0.21	1.00	0.12	0.05	0.25	0.56
In-kind provision (e.g. pig)	0.41	0.10	0.31	1.00	0.30	0.04	0.20	1.00
Technical knowledge of pig production (feeding, breeding, health care)	0.24	0.17	0.44	0.33	0.28	0.09	0.17	0.00
Member attitude and commitment	0.23	0.45	0.36	0.67	0.15	0.24	0.46	0.00
Increased income (for members)	0.06	0.42	0.25	0.00	0.00	0.04	0.03	0.00
Availability of funds for group (e.g. lending capital to members)	0.01	0.15	0.08	0.00	0.10	0.22	0.17	0.56
Management (leader board attitude and commitment)	0.07	0.32	0.19	0.00	0.16	0.35	0.34	0.00
Veterinary care (vaccination, measures for disease preventions)	0.01	0.08	0.06	0.00	0.11	0.04	0.15	0.00
Market access (higher price for surplus, guaranteed purchase of output)	0.02	0.08	0.05	0.00	0.05	0.10	0.03	0.00
Project support (other than e.g. training or provision of pigs)	0.00	0.00	0.02	0.00	0.11	0.12	0.13	0.67

*reason for failure is the reverse reason of success (e.g. if training is mentioned as a reason for success, lack of training can be mentioned as a reason for failure)

As can be seen in Table 2, a small number of members were unsatisfied (8.1%) or very unsatisfied (1.3%) with the leader board due to inequity in treatment towards the members. The highest percentage of dissatisfaction with the management was found in two farmer groups of LC, where 10.7% and 33.3% of the members, respectively, were unsatisfied with the leader board. In CB, only 3.8% of the members were unsatisfied with their leaders.

Despite the fact that a high percentage of members (~90%) were either satisfied or very satisfied with their membership, some members were unsatisfied or even very unsatisfied for various reasons, including no visible increase in income or missing in-kind payment from the projects. In spite of a high percentage of dissatisfaction towards the leader board expressed by a farmer group in LC, all members were still very satisfied (11.1%) or satisfied (88.9%) with their membership.

When the 236 members were asked to indicate the chances for a future existence of the farmer group, a majority of 57.2% stated that the farmer group could be successful for over 10 years. Only 2.1% estimated the remaining time of the farmer group to be less than one year. On the other hand, 20.8% and 11.4% of the farmers anticipated a remaining term of 1 to 3 years and 5 to 7 years, respectively. About 8.5% of the members did not answer the question.

Table 2 Satisfaction level of farmers with group membership, management and pig production (in percent)

	very satisfied	satisfied	unsatisfied	very unsatisfied	no answer
Satisfaction of being a member in the farmer group					
Project 1 Cao Bang ¹	29.49	56.41	5.13	0.00	8.97
Project 2 Lao Cai ²	21.48	70.47	6.04	2.01	0.00
Project 3 Lao Cai ³	11.11	88.89	0.00	0.00	0.00
Satisfaction with the management					
Project 1 Cao Bang ¹	28.21	55.13	0.00	3.85	12.82
Project 2 Lao Cai ²	23.49	55.03	10.74	0.00	10.74
Project 3 Lao Cai ³	0.00	66.67	33.33	0.00	0.00
Satisfaction with their pig production					
Project 1 Cao Bang ¹	19.48	53.25	25.97	1.3	
Project 2 Lao Cai ²	31.76	56.76	11.49	0.00	
Project 3 Lao Cai ³	0.00	66.67	33.33	0.00	

¹78 members from 4 groups interviewed; ²149 members from 8 groups interviewed; ³9 members from 1 group interviewed

4. Discussion

The results of the present study suggest a close relationship between the main intervention approach of the respective project and the perceived success factors by farmers.

Members receiving in-kind provision as well as non-members ranked in-kind subsidies as the key factor for success. The approach seems similar to food aid projects, which could be, however, reproached for creating dependency of the farmers. Dayton⁸Johnson and Hoddinott (2004) showed the controversy of such programs and stated that food aid have a disincentive effect on household behaviour, but can also have a positive effect on household economy.

The leader boards' commitment and understanding of cooperative principles is one of the most important factors, without which a cooperative is not going to be successful (Azadi et al., 2010). Members and to a certain degree also non-members stressed the importance of the leader board and their commitment and attitude for a successfully working group. The farmer groups also had regular meetings to exchange information. Olsen and Cook (2006) indicated that a key indicator to identify free-riding is communication. Meetings, where members can discuss organization's activities, and their participation within the group, reduce members free-riding.

The high satisfaction with the management could be explained by the Vietnamese culture of filial piety and respect to authority. Although ethnic minorities have a different religion and culture than the Kinh-Vietnamese, their values are similar to the Vietnamese values (Toyokawa, 2013). Additionally, even though criticizing authorities and elderly people is not common in Vietnam, members (10.7 and 33.3% respectively) in LC mentioned to be unsatisfied with the leader board. A reason could be inequity in treatment since farmers mentioned that related members to the leader board received sometimes in-kind payment sooner than others.

Most of the farmers that were very satisfied or satisfied stated that "they enjoyed working together". Collectivism is strongly developed (Ralston et al., 1999), however, mostly within the respective ethnic groups. This could explain the high satisfaction with the membership even though members were unsatisfied with the leader board. It seems as if there is no correlation between satisfaction of membership and with the management. However, further research is needed.

5. Conclusion

The objective of this study was to evaluate the influence of intervention projects on potential factors for the success or failure of farmer groups. In conclusion, the findings showed that farmers distinguish between external

and internal factors. Farmers mainly assigned reasons for group success to external project interventions, while failures were mainly attributed to internal factors.

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